

Auditing Procedures Report V1.04

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Issued under Public Act 2 of 1968, as amended .

Unit Name	Douglass Township	County	MONTCALM	Type	TOWNSHIP	MuniCode	59-1-070
Opinion Date-Use Calendar	Jun 24, 2008	Audit Submitted -Use Calendar	Jul 21, 2008	Fiscal Year-Use Drop List	2008		

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".

<input checked="" type="checkbox"/>	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/>	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input type="checkbox"/>	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/>	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/>	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/>	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/>	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/>	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/>	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/>	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/>	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/>	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/>	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? <input type="text" value="NA"/>
<input checked="" type="checkbox"/>	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/>	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/>	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input type="checkbox"/>	18. Are there reported deficiencies?
<input type="checkbox"/>	19. If so, was it attached to the audit report?

General Fund Revenue:	\$ 313,550.00
General Fund Expenditure:	\$ 253,303.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	\$ 508,579.00
Governmental Activities Long-Term Debt (see instructions):	\$ 0.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

CPA (First Name)	Thomas	Last Name	Coulter	Ten Digit License Number	1612544				
CPA Street Address	7810 N Alger Rd	City	Alma	State	MI	Zip Code	48801	Telephone	+1 (989) 463-6108
CPA Firm Name	Yeo & Yeo PC	Unit's Street Address	4500 N Grow Rd	City	Stanton	LU Zip	48888		

Douglass Township
Montcalm County, Michigan
Compiled Financial Statements
and
Accountants' Report
March 31, 2008

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**Douglass Township
List of Elected and Appointed Officials
March 31, 2008**

Township Board

Terry Anderson – Supervisor

Amy Laper – Treasurer

Sharlene Hopp – Clerk

Thomas Jeppesen – Trustee

Douglas Poulsen – Trustee

Accountants' Report

To the Township Board
Douglass Township

We have compiled the accompanying financial statements of the governmental activities and major fund of Douglass Township as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Yeo & Yeo, P.C.

June 24, 2008
Alma, Michigan

Douglass Township
Management's Discussion and Analysis
For the Year Ended March 31, 2008

Our discussion and analysis of Douglass Township's financial performance provides an overview of the Township's financial activities for the fiscal year ended March 31, 2008. Please read it in conjunction with the Township's financial statements.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended March 31, 2008.

Total net assets related to the Township's governmental activities are \$810,597. The amount that is unrestricted is \$587,178.

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities provide information about the activities of the Douglass Township as a whole and present a longer-term of the Township's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing governmental services.

The fund financial statements present a short term view; they tell us how the taxpayer's resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements by providing information about the Township's most significant funds.

Douglass Township
Management's Discussion and Analysis
For the Year Ended March 31, 2008

Douglass Township as a Whole

The following table shows, in a condensed format, the net assets as of March 31, 2008 and 2007.

Table 1

	Governmental 2008	Activities 2007
	<u>2008</u>	<u>2007</u>
Current assets	\$ 594,590	\$ 537,383
Capital assets, net	<u>223,419</u>	<u>228,190</u>
Total assets	<u>818,009</u>	<u>765,573</u>
Current liabilities	<u>7,412</u>	<u>11,203</u>
Total net assets	<u>\$ 810,597</u>	<u>\$ 754,370</u>

Douglass Township's net assets of governmental activities are \$810,597 and \$754,370 for the years ended March 31, 2008 and 2007, respectively. Of the Township's net assets for the year ended March 31, 2008 and 2007, \$587,178 and \$526,180 are unrestricted, respectively.

Douglass Township
Management's Discussion and Analysis
For the Year Ended March 31, 2008

The following table shows, in a condensed format, the change in net assets as of the March 31, 2008 and 2007.

Table 2

	Governmental Activities 2008	2007
Revenue		
Program revenue		
Charges for services	\$ 5,500	\$ 7,020
General revenue		
Property taxes	123,940	117,024
State-shared revenue	166,387	166,609
Unrestricted investment earnings	10,995	11,292
Miscellaneous	7,479	10,302
Total revenue	<u>314,301</u>	<u>312,247</u>
Program expenses		
General government	124,576	123,370
Public safety	20,587	63,936
Public works	110,909	93,168
Community and economic development	2,002	4,428
Total program expenses	<u>258,074</u>	<u>284,902</u>
Change in net assets	<u>\$ 56,227</u>	<u>\$ 27,345</u>

**Douglass Township
Management's Discussion and Analysis
For the Year Ended March 31, 2008**

Governmental Activities

Douglass Township's total governmental activity revenues were \$314,301 and \$312,247 for the years ended March 31, 2008 and 2007, respectively. Revenues decreased in the current year due to a decrease in burials and state shared revenue. Governmental activity expenditures of \$258,074 and \$284,902 were recorded for the years ended March 31, 2008 and 2007, respectively. The decrease in expenditures in the current year is due to a decrease in the amount paid for fire equipment.

Douglass Township's Funds

The fund financial statements provide detailed information about the most significant funds, not Douglass Township as a whole. The Township Council creates funds to help manage money for specific purposes as well as show accountability for certain activities.

General Fund

Functions relating to the general governmental activities of the Township, which are financed by property tax levies, by distribution of State revenues from fees charged for various municipal activities and services are recorded in the General Fund. This fund had an increase in fund balance of \$65,297 in 2008.

General Fund Budgetary Highlights

Over the course of the year, the Township Board monitors and amends the budget to account for unanticipated events during the year. The most significant change was the decrease in costs associated with the paving of North Shore Drive due to a special assessment. Prudent budgeting and continued monitoring of all expenditures reduced the effects of these expenditures.

**Douglass Township
Management's Discussion and Analysis
For the Year Ended March 31, 2008**

Capital Assets

At March 31, 2008, Douglass Township has \$223,419 invested in a wide range of capital assets, including land, buildings, and machinery and equipment. The total amount of accumulated depreciation as of March 31, 2008 is \$79,189, of which \$223,419 remain as net capital assets at the end of the fiscal year.

Economic Factors and Next Year's Budgets and Rates

The Township needs to continue to monitor its budget very closely. State revenue-sharing payments decreased this past year but have the potential to decrease significantly due to State cutbacks and less sales tax receipts at the State level.

Despite these concerns, the Township will continue to operate as efficiently as possible in the next fiscal year.

Contacting Douglass Township's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of Douglass Township's finances and to show the Township's accountability for the money it receives. If you have any questions about this report or need additional information, we welcome you to contact the administration offices at Township hall.

Douglass Township
Statement of Net Assets
March 31, 2008

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
Assets	
Cash and cash equivalents	\$ 450,017
Receivables	
Taxes	16,644
Special assessments	68,225
Accrued interest and other	10,374
Due from other units of government	37,830
Prepaid items	11,500
Capital assets not being depreciated	21,800
Capital assets, net	<u>201,619</u>
 Total assets	 <u>818,009</u>
 Liabilities	
Accounts payable	3,437
Accrued and other liabilities	<u>3,975</u>
 Total liabilities	 <u>7,412</u>
 Net Assets	
Invested in capital assets	223,419
Unrestricted	<u>587,178</u>
 Total net assets	 <u>\$ 810,597</u>

See Accompanying Notes and Accountants' Report

Douglass Township
Statement of Activities
For the Year Ended March 31, 2008

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
		Operating	Capital		
	Charges for	Grants and	Grants and		
<u>Expenses</u>	<u>Services</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Primary Government</u>	<u>Governmental</u>
					<u>Activities</u>
Functions/Programs					
Primary government					
Governmental activities					
General government	\$ 124,576	\$ 5,500	\$ -	\$ -	\$ (119,076)
Public safety	20,587	-	-	-	(20,587)
Public works	110,909	-	-	-	(110,909)
Community and economic development	2,002	-	-	-	(2,002)
Total primary government	<u>\$ 258,074</u>	<u>\$ 5,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(252,574)</u>
General revenues					
Property taxes					123,940
State shared revenue					166,387
Unrestricted investment earnings					10,995
Miscellaneous					7,479
Total general revenues					<u>308,801</u>
Change in net assets					56,227
Net assets - beginning of year					<u>754,370</u>
Net assets - end of year					<u>\$ 810,597</u>

See Accompanying Notes and Accountants' Report

Douglass Township
Governmental Funds
Balance Sheet
March 31, 2008

	<u>General</u>
Assets	
Cash and cash equivalents	\$ 450,017
Receivables	
Taxes	16,644
Special assessments	68,225
Accrued interest and other	10,374
Due from other units of government	37,830
Prepaid items	<u>11,500</u>
Total assets	<u>\$ 594,590</u>
 Liabilities	
Accounts payable	\$ 3,437
Accrued and other liabilities	3,975
Deferred revenue	<u>78,599</u>
Total liabilities	86,011
 Fund Balances	
Reserved for:	
Prepays	11,500
Unreserved, reported in:	
General fund	<u>497,079</u>
Total fund balances	<u>508,579</u>
Total liabilities and fund balances	<u>\$ 594,590</u>

See Accompanying Notes and Accountants' Report

Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Assets of Governmental Activities
March 31, 2008

Total fund balances for governmental funds	\$ 508,579
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	223,419
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the governmental funds.	<u>78,599</u>
Net assets of governmental activities	<u>\$ 810,597</u>

Douglass Township
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended March 31, 2008

	<u>General</u>
Revenues	
Taxes and special assessments	\$ 127,669
Licenses and permits	680
State revenue sharing	161,925
Other state grants	4,462
Charges for services	1,700
Interest income	11,565
Rental income	3,800
Other revenue	<u>1,749</u>
Total revenues	<u>313,550</u>
Expenditures	
Current	
General government	117,230
Public safety	20,587
Public works	112,006
Community and economic development	2,002
Capital outlay	<u>1,478</u>
Total expenditures	<u>253,303</u>
Excess of revenues over expenditures	60,247
Other financing sources	
Insurance recoveries	<u>5,050</u>
Net change in fund balance	65,297
Fund balance - beginning of year	<u>443,282</u>
Fund balance - end of year	<u>\$ 508,579</u>

See Accompanying Notes and Accountants' Report

Douglass Township
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended March 31, 2008

Net change in fund balances - Total governmental funds \$ 65,297

Total change in net assets reported for governmental activities in the statement of activities
is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those
assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	(7,547)
Capital outlay	5,648
Loss on sale of capital assets	(2,872)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue
in the funds.

Special assessments	(3,729)
Other revenue	<u>(570)</u>

Change in net assets of governmental activities **\$ 56,227**

Douglass Township
Notes to Financial Statements
March 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

Douglass Township is governed by an elected five-member Board. The accompanying financial statements present the government entities for which the government is considered to be financially accountable.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. *Government activities* are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Douglass Township
Notes to Financial Statements
March 31, 2008

The government reports the following major governmental fund:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, liabilities, and net assets or equity

Deposits and investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Receivables and payables – In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangement outstanding at the end of the fiscal year is referred to as "advances to/from other funds."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

The 2007 taxable valuation of the government totaled \$65,496,234, on which ad valorem taxes consisted of .7324 mills for operating purposes and .7430 for fire services. This resulted in \$47,888 for operating expenses and \$48,581 for fire expenses, exclusive of any Michigan Tax Tribunal or Board of Review adjustments.

Prepaid items – Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital assets – Capital assets, which include property, plant and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

Douglass Township
Notes to Financial Statements
March 31, 2008

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the government values these capital assets at the estimated fair value of the item at the date of its donation.

Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

Buildings	40 to 60 years
Building improvements	15 to 30 years
Vehicles	3 to 10 years
Office equipment computer equipment	5 to 7 years
Computer equipment	3 to 7 years

Comparative data

Comparative data is not included in the government's financial statements.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information

The government is subject to the budgetary control requirements of the Uniform Budgeting Act (P.A. 621 of 1978, as amended). Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all Special Revenue Funds. All annual appropriations lapse at fiscal year end.

Prior to March 1, the Township Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. Public hearings are obtained to obtain taxpayer comments and the budget is legally enacted through passage of an ordinance prior to March 31.

The budget document presents information by fund, activity, department, and line items. The legal level of budgetary control adopted by the governing body is the activity level. The Township Clerk is authorized to transfer budgeted amounts between line items within an activity; however, any revisions that alter the total expenditures of an activity must be approved by the Township Board.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent when goods are received or services rendered.

Excess of expenditures over appropriations

Michigan Public Act 621 of 1978, Section 18(1), as amended provides that a local government unit shall not incur expenditures in excess of the amount appropriated. During the year ended March 31, 2008, the Township incurred expenditures in the General Fund in excess of the amount appropriated as follows:

<u>Fund</u>	<u>Total</u> <u>Appropriation</u>	<u>Amount</u> <u>Expended</u>	<u>Unfavorable</u> <u>Variance</u>
General Fund			
Capital outlay	\$ -	\$ 1,478	\$ (1,478)

Douglass Township
Notes to Financial Statements
March 31, 2008

NOTE 3 - DEPOSITS

At year end the government's deposits were reported in the basic financial statements in the following categories:

	<u>Cash and Cash Equivalents</u>
Governmental activities	<u>\$ 450,017</u>

Interest rate risk – The government does not have a formal investment policy to manage its exposure to fair value losses from changes in interest rates

Credit risk – State statutes authorize the government to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan; United States government or federal agency obligations; repurchase agreements; bankers acceptance of United States Banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or any of its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan. The local unit is allowed to invest in bonds, securities and other obligations of the United States, or any agency or instrumentality of the United States.

Concentration of credit risk – The government has no policy that would limit the amount that may be issued in any one issuer.

Custodial credit risk - deposits – In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The government does not have a policy for custodial credit risk. As of year end, \$43,794 was exposed to custodial credit risk because it was uninsured and uncollateralized .

NOTE 4 - RECEIVABLE S AND DEFERRED REVENUE

The only receivables not expected to be collected within one year are as follows:

	<u>Due After One Year</u>
Primary government	
Special assessments	<u>\$ 63,987</u>

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u>Unavailable</u>
Primary government	
Special assessments	\$ 68,225
Other revenue	<u>10,374</u>
	<u>\$ 78,599</u>

Douglass Township
Notes to Financial Statements
March 31, 2008

NOTE 5 - CAPITAL ASSETS

Capital assets activity of the primary government for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 21,800	\$ -	\$ -	\$ 21,800
Capital assets being depreciated				
Land improvements	1,675	-	-	1,675
Buildings, additions and improvements	256,000	-	-	256,000
Machinery and equipment	21,644	5,648	4,159	23,133
Total capital assets being depreciated	279,319	5,648	4,159	280,808
Less accumulated depreciation for				
Land improvements	55	112	-	167
Buildings, additions and improvements	54,766	6,410	-	61,176
Machinery and equipment	18,108	1,025	1,287	17,846
Total accumulated depreciation	72,929	7,547	1,287	79,189
Net capital assets being depreciated	206,390	(1,899)	2,872	201,619
Governmental activities capital assets, net	\$ 228,190	\$ (1,899)	\$ 2,872	\$ 223,419

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities	
General government	\$ 6,904
Public works	643
Total governmental activities	\$ 7,547

NOTE 6 - RISK MANAGEMENT

The government is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The government has purchased commercial insurance for all claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

NOTE 7 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS

Defined contribution pension plan

Plan description – The government has a defined contribution pension plan covering all elected officials. Contributions are based on a salary schedule. The employee is required to contribute the first \$25 and the Township contributes the remaining amount of the premium. All contributions are vested immediately.

Annual pension costs – For fiscal year ended 2007, the government's annual pension cost of \$7,319 for the plan was equal to the required and actual contribution.

Douglass Township
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Property taxes and special assessments	\$ 100,608	\$ 100,608	\$ 105,961	\$ 5,353
Penalties and interest	500	500	704	204
Administration fee	20,000	20,000	21,004	1,004
Licenses and permits	660	660	680	20
State revenue sharing	160,000	160,000	161,925	1,925
State grants	-	-	4,462	4,462
Charges for services	1,375	1,375	1,700	325
Interest income	9,000	9,000	11,565	2,565
Rental income	3,500	3,500	3,800	300
Other revenue	6,125	6,125	1,749	(4,376)
Insurance recoveries	-	-	5,050	5,050
Total revenues	<u>301,768</u>	<u>301,768</u>	<u>318,600</u>	<u>16,832</u>

See Accompanying Accountants' Report

Douglass Township
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2008

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Expenditures				
General government				
Township board	24,802	23,230	18,165	(5,065)
Supervisor	9,776	9,776	9,968	192
Manager	5,781	5,781	5,827	46
Clerk	15,930	15,930	15,778	(152)
Audit	2,500	2,510	3,000	490
Board of review	1,098	1,098	804	(294)
Treasurer	17,297	17,307	15,593	(1,714)
Assessor	24,835	24,948	22,424	(2,524)
Elections	3,040	4,153	1,204	(2,949)
Buildings and grounds	16,678	16,878	15,300	(1,578)
Cemetery	9,568	9,568	9,167	(401)
Total general government	<u>131,305</u>	<u>131,179</u>	<u>117,230</u>	<u>(13,949)</u>
Public safety				
Fire department	<u>40,266</u>	<u>40,266</u>	<u>20,587</u>	<u>(19,679)</u>
Public works				
Highways, streets and bridges	<u>125,000</u>	<u>125,000</u>	<u>112,006</u>	<u>(12,994)</u>
Community and economic development				
Planning	<u>5,121</u>	<u>5,247</u>	<u>2,002</u>	<u>(3,245)</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>1,478</u>	<u>1,478</u>
Total expenditures	<u>301,692</u>	<u>301,692</u>	<u>253,303</u>	<u>(48,389)</u>
Excess of revenues over expenditures	76	76	65,297	65,221
Fund balance - beginning of year	<u>443,282</u>	<u>443,282</u>	<u>443,282</u>	<u>-</u>
Fund balance - end of year	<u>\$ 443,358</u>	<u>\$ 443,358</u>	<u>\$ 508,579</u>	<u>\$ 65,221</u>

See Accompanying Accountants' Report